



Department of Business Regulation

233 Richmond Street

Providence, RI 02903

Commercial Licensing Bulletin Number 2003 - 1

Motor Vehicle Body Repair

COMMERCIAL LICENSING REGULATION 4 – MOTOR VEHICLE BODY REPAIR

Commercial Licensing Regulation 4 – Motor Vehicle Body Repair (“CLR4”),
Section 4(f) states as follows:

(f) Denial, Suspension, Revocation. The Department may deny an application for a Motor Vehicle Body License or revoke or suspend a Motor Vehicle Body License if it determines that an employee or manager or owner of an Applicant or Licensee has engaged in any the following activities so that the Applicant or Licensee is unfit to do business and/or it impacts the Applicant’s or Licensee’s financial responsibility and/or it impacts the Applicant’s or Licensee’s business integrity:

(1) said individual has been convicted of any criminal felony involving dishonesty, breach of trust, forgery, embezzlement, obtaining money under false pretenses, bribery, larceny, extortion, conspiracy to defraud, fraud, false dealing or any similar offense(s) or has had a Motor Vehicle Body License revoked or suspended or an application for a Motor Vehicle Body License denied or any other license issued by this State revoked or suspended or an application for such denied.

Section 4(f) of CLR 4 contains the following factors regarding when the action delineated in the section may cause the revocation, denial, or suspension of License: the Applicant or Licensee is “unfit to do business,” there is an impact on the Applicant’s or Licensee’s “financial responsibility,” and there is an impact on the Applicant’s or Licensee’s ”business integrity.” These three (3) factors are based on the requirements of R.I. Gen. Laws § 5-38-6 which delineates the factors that the Department must consider in the granting or denial of Licenses.

Section 4(f) of CLR4 is discretionary and does not mandate that the Department revoke or deny a License; it gives the Department the authority to do so depending on the context of each situation.

Since CLR4 is discretionary, the Department will consider the specific facts of each situation. For example, the Department would not usually exercise its authority in a situation where an employee of the auto body repair shop had previously been convicted of breaking and entering, is off probation, and is currently employed to repair cars. That would not usually make a Licensee unfit to do business. However, the Department would be concerned with an employee who has extensive dealings with insurance companies and/or the public, has been convicted of insurance fraud and may or may not still be on probation. That situation could raise questions as to the Licensee's fitness to do business. The Department is most concerned with an Applicant or Licenseholder who appears to be a "sham" owner for a friend or relation who has either had a License revoked or has been convicted of crimes of dishonesty, e.g. forgery, insurance fraud, obtaining money under false pretenses.

The intent of CLR4 is to protect the public by reviewing those situations when individuals who have been convicted of crimes of dishonesty or whose Licenses have been revoked, suspended or have been denied a License are not allowed to adversely impact a Licensee's or Applicant's ability to conduct its business so as to minimize the possibility that those individuals adversely impact a Licensee's or Applicant's ability to maintain its financial responsibility and business integrity.

Marilyn Shannon McConaghy
Director
March 12, 2003